

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN STEVE VICK**, on April 5, 2001 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 315, SB 419, SB 231, SB 344
Executive Action: SB 176, SB 344, SB 445, SB 483

HEARING ON SB 315

Sponsor: SEN. EVE FRANKLIN, SD 21, GREAT FALLS

Proponents: Adian Myhre, MT. Comprehensive Healthcare Assoc.
Claudia Clifford, Insurance Commissioners Office
Chuck Butler, Blue Cross/Blue Shield of MT.
Mary Caferro, W.H.E.E.L.
Jani McCall, Deaconess Hospital, Billings
Mary Ellen, MT. Benefits & Life Company
Sammy Butler, Executive Director, MT. Nurses
Association
Mary Beth Frideres, MT. Primary Care Association
Keith Colbo, New West Health Plan
Clyde Daily, A.A.R.P.
Tara Gavaghan, Representing Self
Tanya Hamlin, Representing Self

Opponents: None

Opening Statement by Sponsor:

SEN. EVE FRANKLIN, SD 21, GREAT FALLS, handed out a pamphlet from Montana Health Association **EXHIBIT(aph77a01)**. She stated this bill dealt with the Montana Comprehensive Health Association Plan and the high risk insurance pool. She explained the eligibility for the insurance pool and the process involved. She felt there was a need for this legislation to assist the healthcare recipients, who would not have the affordability of insurance. She addressed the \$2 million within the bill and the language to allow the board a sliding scale for fees that need to be obtained.

Proponents' Testimony:

Adian Myhre, MT. Comprehensive Healthcare Association, discussed the board's memberships and the separate plans covering individuals in Montana. She explained the plans and gave a background of each.

Claudia Clifford, Insurance Commissioners Office, mentioned the insurance carriers within the state. She handed out information on MCHA **EXHIBIT(aph77a02)**. She presented a copy of a letter from Oscar Lanes **EXHIBIT(aph77a03)**. She explained the proposal offered in the bill for funding of lowering the insurance premiums.

Chuck Butler, Blue Cross/Blue Shield of MT., supported the bill and highlighted points regarding the reduced premium rates

schedule. He referred to sections of the bill and explained amendments added for appropriations of the plan.

Mary Caferro, W.H.E.E.L., asked for support of SB 315. She explained low income families and the affordability of insurance assistance.

Jani McCall, Deaconess Hospital, Billings, supported the bill and mentioned the assistance needed for the state. She liked the sliding scale providing benefits to people unable to afford the service. She offered a background of insurance companies she was affiliated with.

Mary Ellen, MT. Benefits & Life Company, felt this would offer benefits to people with chronic illnesses. She asked for support of the bill.

Sammy Butler, Executive Director, MT. Nurses Association, supported the bill.

Mary Beth Frideres, MT. Primary Care Association, talked about coverage for patients across the state. She felt the program would be helpful and urged support of the bill.

{Tape 1; Side B}

Keith Colbo, New West Health Plan, endorsed the concepts of the bill and asked for support of the legislation.

Clyde Daily, A.A.R.P., explained seniors unable to receive insurance and how this plan would benefit those for insurance coverage.

Tara Gavaghan, Representing Self, explained her son's condition and the struggle receiving insurance for medical care.

Tanya Hamlin, Representing Self, explained the difficulty in affording insurance. She gave a background of receiving insurance and a situation of paying medical costs.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. JEFF PATTISON asked why insurance rates were so high. **Chuck Butler** explained health insurance costs and what they were based upon.

REP. PATTISON commented on his daughter's medical needs and researching insurance companies. He asked what would drive the costs up. **Chuck Butler** addressed the hospitals in the state with plans and gave history of Blue Cross/Blue Shield.

REP. ROSIE BUZZAS asked for statistics of people receiving this benefit. **Chuck Butler** offered information of people in the program.

REP. BUZZAS asked what the cost of care to the individual was. **Chuck Butler** explained the premiums paid to the individuals. He referred to a chart with benefits paid to the insured.

Closing by Sponsor:

SEN. EVE FRANKLIN, SD 21, GREAT FALLS, focused on what the bill would offer and how it would benefit individuals. She explained the appropriation to maintain the healthcare association for people in need of care. She addressed the language to assist with funding for this legislation.

HEARING ON SB 419

Sponsor: **SEN. DUANE GRIMES, SD 20 , CLANCY**

Proponents: **None**

Opponents: **None**

Opening Statement by Sponsor:

SEN. DUANE GRIMES, SD 20 , CLANCY, said the use of internships from universities was referenced in the law and in this bill. He said this bill would offer an incentive to students willing to work with politics in Montana. He addressed the idea for students to be aides to legislators and receive a salary of \$50 while learning aspects of politics. He felt they needed to encourage students to become involved with all areas of the legislative session as an intern.

Proponents' Testimony: **None**

Opponents' Testimony: **None**

{Tape 2; Side A}

Questions from Committee Members and Responses:

REP. ART PETERSON commented there would be funding sources available for this type of idea.

CHAIRMAN STEVE VICK asked about the fiscal note offering for ten students during the session. **SEN. GRIMES** thought there was 17 total. He said they estimated not everyone would be interested in an intern so it was placed at ten maximum.

Closing by Sponsor:

SEN. DUANE GRIMES, SD 20 , CLANCY, closed on his bill.

HEARING ON SB 231

Sponsor: **SEN. DUANE GRIMES, SD , CLANCY**

Proponents: **Lance Melton, MT. School Board Association**
Loran Frazier, MT. School Administrators
Terry Minnow, MEA-MFT

Opponents: **None**

Opening Statement by Sponsor:

SEN. DUANE GRIMES, SD , CLANCY, said the bill would allow school districts to provide instructions electronically. He gave examples of the technology used for instructions in a classroom. He felt it would provide competition for schools and assist with enrollment. He mentioned home schooled families may take advantage of these type of instructions. He said all school funding would apply to this bill and he emphasized looking to the future with the changes in education.

Proponents' Testimony:

Lance Melton, MT. School Board Association, gave history on the bill and mentioned home-bound children. He addressed issues in the fiscal note. He stated the enrollment declines and how this instruction would assist students. He urged support for the legislation.

Loran Frazier, MT. School Administrators, felt they should not ignore the technology that would offer schools benefits with programs. He mentioned other schools that utilize these programs. He said the bill would offer potential to home-bound students, students enhancing courses to graduate and it would be productive with drop-out students.

Terry Minnow, MEA-MFT, strongly supports this legislation. She expressed current law and how it reflects attendance with students needing to stay home or in a hospital setting. She felt the bill would improve educational opportunities to students in Montana.

Opponents' Testimony: None

Questions from Committee Members and Responses:

{Tape 2; Side B}

REP. CHRISTINE KAUFMANN asked why the students should live within the boundaries of the district. **SEN. GRIMES** pointed to language that was amended in the bill. He explained students within boundary districts and said language could be added if a student has residence in a district.

REP. DAVE LEWIS referred to page one and asked if the district would solicit home schooled students to offer these benefits. **SEN. GRIMES** sensed language may need to be amended in the bill to offer districts to do this action. **Lance Melton** explained safeguards in the bill preventing solicitation from happening.

REP. LEWIS thought it would be an incentive to the district and he wondered if the fiscal note was understated. **Lance Melton** referred to assumptions on the fiscal note. **SEN. GRIMES** responded by stating school districts were strong-willed against change.

REP. PETERSON mentioned virtual high schools in cooperation with associated colleges. He asked why the Senate deleted \$6,000 addressing this issue. **SEN. GRIMES** could not respond directly as to the deletion of \$6,000. He felt there should not be a confusion with the university and K-12 education.

REP. PETERSON felt there needed to be integration with the private and public sectors to work with education.

REP. JEFF PATTISON commented upon controlling public education and not controlling home-schoolers. He mentioned paying the taxes and the increase involved. He wondered about out-dated electronics and phone lines utilized. He asked about equipment costs and if this could be done through a satellite. **SEN. GRIMES** said the electronic use could utilize satellite.

REP. BOB DAVIES asked if this would be set up on a one-to-one basis with A&B credited to the school district. **SEN. GRIMES**

explained the current funding and how it would be credited.

Lance Melton said it would offer the students to receive A&B and he explained the separate funding.

REP. JOHN WITT asked if this could be done for actual cost.

Lance Melton mentioned home-schooled students enrolled on a part-time basis in the districts. He addressed the funding involved and how public education and private do not cooperate.

REP. DAVE KASTEN asked if any input from home schooled organizations. **SEN. GRIMES** said he visited with representatives of home schools and addressed concerns.

REP. BUZZAS asked for an idea of costs and how they would vary.

Lance Melton mentioned funding and how it was averaged.

Closing by Sponsor:

SEN. DUANE GRIMES, SD 20, CLANCY, closed on the bill and summarized areas to focus on with this legislation. He felt the bill would offer opportunities and advantages to students and the school districts. He said this would be a positive approach to utilize and the long term effects would be beneficial.

HEARING ON SB 344

Sponsor: **SEN. JOHN COBB, SD 25, AUGUSTA**

Proponents: **REP. LARRY LEHMAN, HD 87, POWER**
Lance Melton, MT. School Board Association
Loran Frazier, MT. School Administrators

Opponents: **None**

Opening Statement by Sponsor:

SEN. JOHN COBB, SD 25, AUGUSTA, opened on the bill and expressed the costs involved. He said this bill would add the financial burdens of parents with transportation of children to school districts.

Proponents' Testimony:

{Tape 3; Side A}

REP. LARRY LEHMAN, HD 87, POWER, said the bill addresses transportation and education costs. He explained the

transportation of children to schools utilizing private vehicles as well as students living in remote areas and the need to get in to schools. He explained the base rate of an individual transportation cost plus room and board costs. This bill would increase the costs.

Lance Melton, MT. School Board Association, strongly supported the legislation. He referred to the fiscal note and expressed parents have a burden of transporting their children to and from schools.

Loran Frazier, MT. School Administrators, supported the bill and felt the parents participation assists children attending schools. He stated the increase in mileage costs would provide parents reasonable means to transport children to and from.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. KASTEN commented on a rural area parents transport their children to schools.

REP. KAUFMANN mentioned a bill dealing with school district transportation. She asked the status of that bill. **Lance Melton** explained the increase of transportation rate for school buses from earlier legislation.

REP. KAUFMANN asked if there was justification of raising the rate. **Lance Melton** explained the distinction of mileage rate increase for parent's vehicles versus school buses.

REP. WITT asked if this would eliminate school bus routes. **SEN. COBB** didn't think they would be eliminated. He expressed the concerns involved with the bill and how the increase in cost would assist parents with maintenance of their vehicles.

REP. WITT commented on going to the 31.5 cents with the budget they were working with. **SEN. COBB** explained the reasoning for .34 cents.

Closing by Sponsor:

SEN. JOHN COBB, SD 25, AUGUSTA, closed on the bill and explained bus transportation versus parent's vehicles. He felt it was good legislation to offer this assistance to parents.

EXECUTIVE ACTION ON SB 483

Motion: REP. KAUFMANN moved SB 483 BE CONCURRED IN.

Discussion:

CHAIRMAN VICK referred to the fiscal note.

Vote: Motion carried unanimously.

EXECUTIVE ACTION ON SB 344

Motion: REP. LINDEEN moved SB 344 BE CONCURRED IN.

Discussion:

CHAIRMAN VICK said this bill would have a fiscal note without funding and the funding would come from HB 2.

REP. MONICA LINDEEN wondered if the bill would be a cat and dog bill. CHAIRMAN VICK said it was a cat and dog bill and explained the funding for the bill.

REP. LINDEEN asked about the procedure process with this bill. CHAIRMAN VICK explained the definition and possible process.

REP. PATTISON thought the bill would assist with cost savings and he asked if any funding could be found. CHAIRMAN VICK didn't think there was any other option for funding.

Vote: Motion carried 15-3 with REP. BRUEGGEMAN, REP. DAVIES and CHAIRMAN VICK voting no.

EXECUTIVE ACTION ON SB 176

Motion: REP. WITT moved SB 176 BE AMENDED. Amendments were handed out **EXHIBIT** (aph77a04).

Discussion:

REP. WITT explained the background of the bill and the amendments adding clarifications. He mentioned the comparison of this bill relating to HB 124.

{Tape 3; Side B}

Linda Stahl, Missoula County, explained the amendments, which would work with language changes.

CHAIRMAN VICK asked about lines eight and nine being sunset. **Linda Stahl** said that was the meaning of the brackets.

REP. JOE TROPILA asked if all the counties were levying for courts. **Linda Stahl** did not have an answer for this question, but was willing to research and bring an answer back to the committee regarding this issue.

REP. DICK HAINES asked about the impact involving the Department of Administration to an appellate defender court. **Linda Stahl** said there was a specific reference to the public defender program.

REP. HAINES wanted an understanding of this issue. **Linda Stahl** said it was staff inserted language. **REP. LINDEEN** thought the reasoning was to insert the appellate defender program in place of the Department of Administration, which would be referring to a specific portion of the budget.

REP. DAVE KASTEN supported the amendment.

CHAIRMAN VICK asked about appropriating a portion of money where funds may not be available. **REP. KASTEN** thought if HB 124 did not pass there would not be funding available.

CHAIRMAN VICK said there would be funding for the program and counties would need to be reimbursed when the funds were not available. **REP. KASTEN** thought the language in the amendment was needed to enforce these actions. **Taryn Purdy, Legislative Staff**, explained the basics of costs available and how they would be incurred beyond the budget.

CHAIRMAN VICK wondered about the supplemental. **Taryn Purdy** mentioned the funds through the biennium.

REP. WITT asked for an affirmation regarding this issue. **Linda Stahl** explained budget authority and the available funding.

REP. STANLEY FISHER asked about the mechanics of distributing the funds. **Taryn Purdy** explained the disbursement of funds.

REP. FISHER commented on the district courts and the effects upon the counties. **CHAIRMAN VICK** addressed the county commissioners being opposed to this issue also. He felt amendment four would add problems.

REP. JOHN BRUEGGEMAN talked about Lake County commissioners supporting this issue. He didn't feel there was a mandate on spending for this and he opposed the issue.

REP. WITT responded by asking the committee to take the significant changes into consideration.

Substitute Motion: **REP. HAINES** made a substitute motion segregating item four from the amendment.

Discussion:

REP. PATTISON wondered about the amendment and asked why county commissioners were supporting this issue. **REP. KASTEN** supported line four of the amendment and he emphasized the change involved with the bill. He said commissioners want the amendments originally.

REP. TIM CALLAHAN thought the district courts responsibilities were being taken away and given to the state. He didn't think the language in the amendment was offering support.

REP. WITT made clarifications of the amendments. He said the expenses would be the responsibility of the county for the first two years.

REP. LEWIS mentioned a letter from a judge and the opposition of this issue. **REP. WITT** responded the judges were involved with the discussion of this issue.

{Tape 4; Side A}

Valencia Lane, Legislative Staff, explained the amendments and the court costs involved.

REP. PATTISON asked why the justices have a problem with this bill. **CHAIRMAN VICK** referenced the bill pertaining to judges.

REP. LINDEEN wanted clarification regarding the pay for public defenders. **Gordon Morris** commented on the amendments and gave clarifications to questions being asked.

REP. BUZZAS asked if the amendment was added would it still go to a conference committee. **CHAIRMAN VICK** explained if the Senate was to reject the amendments a conference committee would be established.

Vote: Substitute Motion carried 13-5 with REP. LEWIS, REP. BRUEGGEMAN, REP. DAVIES, REP. FISHER and CHAIRMAN VICK voting no.

Motion: REP. WITT moved SB 176 BE CONCURRED IN AS AMENDED.

Discussion:

Vote: Motion carried 14-4 with REP. LEWIS, REP. DAVIES, REP. FISHER and CHAIRMAN VICK voting no.

EXECUTIVE ACTION ON SB 445

Motion: REP. VICK moved SB 445 BE AMENDED. Amendments already handed out in previous meeting.

Discussion:

CHAIRMAN VICK talked about the sunset date being changed.

REP. BUZZAS did not understand the effect of the amendment. CHAIRMAN VICK offered clarification of the sunset date and the funding available.

Vote: Motion carried unanimously.

Motion: REP. BRUEGGEMAN moved SB 445 BE AMENDED. Amendments were handed out SB044503.agp **EXHIBIT**(aph77a05).

Discussion:

REP. BRUEGGEMAN clarified the amendment changes towards the definitions of entities.

REP. KAUFMANN wondered about the title of the bill and if the amendment reflects it. Taryn Purdy explained the ruling of the title.

REP. KAUFMANN asked if there was an intention to eliminate non-profit organizations. REP. BRUEGGEMAN said this was to not eliminate non-profits and he explained the economic process.

REP. BUZZAS asked if the money was specifically allocated for the university system. CHAIRMAN VICK answered it was allocated to this board.

REP. BUZZAS thought there was an amount for the university system and this amendment would tell the system to utilize the funding

privately. **Taryn Purdy** mentioned the allocation to the university system.

REP. TROPILA asked if non-profit was still involved. **Taryn Purdy** explained the language of private operation including a non-profit.

REP. LINDEEN asked who was involved with the board. **Mark Simonich, Director, Department of Administration**, explained the members on the board.

REP. LINDEEN asked about the criteria for the grants. **Mark Simonich** gave explanation to the matching grants.

REP. HAINES wondered who was involved from the House. **Mark Simonich** offered a list of members.

{Tape 4; Side B}

Vote: Motion carried 16-2 with **REP. BUZZAS** and **REP. JAYNE** voting no.

Motion: **REP. BRUEGGEMAN** moved SB 445 BE CONCURRED IN AS AMENDED.

Discussion:

REP. BUZZAS asked where the funding would come from. **CHAIRMAN VICK** explained how funding was not available.

REP. KAUFMANN felt this would be cutting out mid-range positions from state government.

REP. DAVIES referred to a handout on Montana economy and mentioned the university system projects.

REP. KASTEN supported the bill with the amendments involved.

CHAIRMAN VICK told the committee to hold their comments on this bill and they would vote next meeting.

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. STEVE VICK, Chairman

CECILE M. TROPILA, Transcriptionist

SV/PB

EXHIBIT (aph77aad)